

THE REPUBLIC OF UGANDA

IN THE SUPREME COURT OF UGANDA AT MENGGO

**(CORAM: ODER (RIP), TSEKOOKO, KAROKORA,
KANYEIHAMBA AND KATUREEBE, JJ.S.C.)**

CIVIL APPEAL No.18 OF 2004

BETWEEN

J.B. CHEMICALS & PHARMACEUTICALS LTD

.....
APPELLANT

AND

GLAXO GROUP LTD

.....
RESPONDENT

[Appeal from a decision of the Court of Appeal at Kampala (Mukasa-Kikonyogo, DCJ., Okello & Twinomujuni, JJ.A.) dated 22nd June, 2004 in Civil Appeal No.68 of 2002]

JUDGMENT OF TSEKOOKO, JSC.

This is an appeal from the decision of the Court of Appeal which reversed the decision of the High Court (Byamugisha.J) upholding a ruling of the Assistant Registrar of Trademarks. The Registrar had allowed an application by the appellant who sought to register "**RANTAC**" as a trademark. The application had been opposed by the respondent on certain grounds.

There is one matter which I should dispose of at this juncture before I consider the merits of the appeal. This is whether this is a second or a third appeal. This matter is important in that if this appeal is treated as a third appeal, then the appeal would be incompetent because such an appeal would only come to this Court with leave of either the Court of Appeal or of this Court. There is nothing on the record to suggest that such leave was sought and or was granted.

The Court of Appeal considered it as a second appeal implying that the decision of Byamugisha, J, as she then was, in the High Court, was a first appeal. That would mean that when the Assistant Registrar of Trademarks heard and dismissed the present respondent's objections, to the application by the appellant to register a trademark, the Assistant Registrar acted as a court of first instance, subordinate to the High Court. When this appeal came up for hearing, we inquired from counsel whether we had jurisdiction to hear the appeal. Ms. Namuddu, who appeared for the appellant, was not certain. Mr. Magezi, for the respondent, believed we had jurisdiction and that the appeal was in order.

The proceedings before the Assistant Registrar of Trademarks did not result in a decree as defined by S.2 of the Civil Procedure Act. The Assistant Registrar is not a court [**See London Overseas Co. Vs Raleigh Cycle** (1959)] EA 1012. So there could be no automatic right of appeal except the form authorised by the Trademarks Act and Rules made thereunder.

I think that when the Assistant Registrar of Trademarks sits to hear applications, or oppositions to applications, to register trade marks under the Act, he or she sits as an administrative tribunal just like the Minister of Finance does under the Expropriated Properties Act. Section 15 of that Act allows a person aggrieved by the decision of the Minister of Finance to appeal to High Court. Such applications take the form of suits. In my view the use of the word "Appeal" both in the Trademarks Act and the Trademarks Rules (S.1 83-2) (See Rule 116) must mean reference of a complaint against the decision of the Registrar to the High Court. That is why the application to the High Court is made by notice of motion, rather than by Notice of Appeal which would be followed by The Court of Appeal considered it as a second appeal implying that the decision of Byamugisha, J, as she then was, in the High Court, was a first appeal. That would mean that when the Assistant Registrar of Trademarks heard and dismissed the present respondent's objections, to the application by the appellant to register a trademark, the Assistant Registrar acted as a court of first instance, subordinate to the High Court. When this appeal came up for hearing, we inquired of counsel whether we had jurisdiction to hear the appeal. Ms. Namuddu who appeared for the respondent believed we had jurisdiction and that the appeal was in order. The proceedings before the Assistant Registrar of Trademark did not result in a decree as defined by S.2 of the Civil Procedure Act. The Assistant Registrar is not a court **[See London Overseas Co. Vs Raleigh Cycle (1959)]** EA 1012. So **there** could be no automatic right of appeal except the form authorised by the Trademarks Act and Rules made thereunder. I think that **when** the Assistant Registrar of Trademarks sits to **hear** applications, or

oppositions to applications, to register trade marks under the Act, he or she sits as an administrative tribunal just like the Minister of Finance does under the Expropriated Properties Act. Section 15 of that Act allows a person aggrieved by the decision of the Minister of Finance to appeal to High Court. Such applications take the form of **suits**. In my **view** the use of the **word** "Appeal" both in the Trademarks Act and the Trademarks Rules (S.1 83-2) (See Rule 116) **must** mean reference of a complaint against the decision of the Registrar to the High Court. That is why the application to the High Court is made by notice of motion, rather than by Notice of Appeal **which** would be followed by memorandum of appeal. Indeed in the High Court, the parties in the present case followed the procedure currently in use for filing suits, namely filing summary of evidence, list of witnesses, list of documents and list of authorities. Consequently, I think that the notice of motion heard and determined in the High Court was an originating motion by way of institution of court proceedings (a type of special suit in the wider sense) resulting in a special order appellable as of right under S.66 of CPA to Court of Appeal. The appeal to the Court of Appeal was therefore a first appeal. Consequently the present appeal is a second appeal. I can therefore now consider the merits of the appeal.

The facts of this appeal are technical but they are not complex. The respondent is the registered proprietor of a trademark known as **Zantac** registered in the office of the Registrar of Trademarks. The Trademark was registered in Uganda on 14th February, 1979 and was first used in Uganda in 1981. The Trademark is in respect of

pharmaceutical, medicinal and veterinary preparations and substances. On 24th November, 1996, the appellant applied to the Registrar of Trademarks to register a trademark "**RANTAC**" in respect of pharmaceuticals, medicines, dental preparations and disinfectants. The application was duly advertised in the Uganda Gazette of 7th February, 1997. The respondent opposed the application in the statement filed on the respondent's behalf by Messrs Magezi, Ibale and Co., Advocates. That statement was supported by a Statutory Declaration as required by the relevant law. The declaration was made by Lesley Jane Edwards. Both parties were allowed to file their necessary documents in support, or in opposition, to the application. The matter before the Assistant Registrar of Trademarks was essentially conducted through correspondence until the day of oral submissions. Counsel framed seven questions for decision by the Assistant Registrar. The Assistant Registrar wrote a long ruling and decided the dispute between the two parties in favour of the appellant. Reading through her ruling, I get the impression that she was greatly influenced by the agreement which had been entered into between the parties in India about use of a Trademark "**Zenattec**" in India. She was in addition influenced by a decision of a Russian body called Appellate Chambers.

The respondent was dissatisfied. It "appealed" to the High Court by way of Notice of Motion as required by Rule 116 of the Trademarks Rules.

The motion was based on ten grounds. The three pertinent main grounds were that;

(a) *the Assistant Registrar erred in holding that because the respondent had by agreement with the appellant allowed the latter to use a similar trademark in India, the respondent cannot be heard to object to the application in this country.*

(b) *The Assistant Registrar erred in relying on a decision of Appellate Chamber of Russia.*

(c) *The Assistant Registrar erred in not finding that the trademark RANTAC is effectively identical to trade made **"ZANTAC"***

Although under S.51 of the Trademarks Act, the High Court "*shall have and exercise the same discretionary powers as under this Act are conferred on the Registrar*", Byamugisha, J., as she then was, dismissed the notice of motion mainly because "*as an appellate court the law enjoins her not to interfere with exercise of discretion*". Thereupon the respondent appealed against that decision to the Court of Appeal. The respondent filed a lengthy memorandum of appeal in the Court of Appeal containing some fourteen grounds of appeal.

The present appellant who was a respondent in that Court filed in the same Court a Notice of Appeal for affirming the High Court decision. The notice had one ground.

Grounds 1, 2, 3, 4, 5 and 6 in the memorandum of appeal complained about failure by the learned Judge of the High Court to properly evaluate evidence in the dispute, and ground 10 complained against reliance by the Assistant Registrar on the agreement entered into by the parties in India between the parties

about the use of another trademark. The Court of Appeal allowed all those grounds.

Similarly the Court of Appeal allowed grounds 7, 8 and 9. The first two complained about alleged failure by the judge to find that the two trademarks would confuse the public. Consequently the Court of Appeal allowed the appeal. Hence this appeal.

In this appeal there are seven grounds which are set out in the following words -

1. *That the learned Justices of Appeal failed in their duty to properly re-evaluate the evidence and the law when they concluded that the registration of the appellant's trademark, "**Rantac**" in Uganda has a strong likelihood of causing confusion or deception.*

2. *That the learned Justices of Appeal erred when they concluded that "as the evidence stands on record, [we] agree that the likelihood of causing confusions or deception is strong and on high side."*

3. *That the learned Justices of Appeal erred when they faulted the finding by the learned judge of the High Court that there were special circumstances to justify the exercise of the Registrar of Trade Mark's discretion and allowing the registration of the trademark "**Rantac**" in Uganda.*

4. *That the learned Justices of Appeal abdicated their duties in not finding that there existed special circumstances in the*

*instant case to justify the exercise of the Registrar's discretionary powers allowing the registration of the trademark "**Rantac**" as the appellant's trademark.*

5. *That the injunction issued by the learned Justices of Appeal directing the Registrar of Trademarks not to register "**Rantac**" as the appellant's trademark was made without a proper discharge of the duties of the appellate court.*

6. *That the learned Justice of Appeal abdicated their jurisdiction and thereby came to a wrong decision allowing the appeal.*

7. *That the learned Justices of Appeal erred in setting aside the judgment and orders of the High Court and the Registrar of Trade Marks.*

In this court both parties presented written arguments under rule 93 of the Rules of this Court. Messrs. Sengendo & Co. Advocates presented arguments on behalf of the appellant although at the end counsel signed the arguments as "**Counsel for the above respondent.**"

Be that as it may, in summary, grounds 1 to 4 complain that the Court of Appeal erred when it held;

- That the trademark **Rantac** in Uganda had a strong likelihood of causing confusion or deception. This is the gist of grounds 1 and 2.

- That the Assistant Registrar did not properly exercise her discretion (Ground 3).

I think that ground four repeats ground 3 in different words. In their written arguments, counsel for the appellant argued grounds 1, 2, 3 and 4 together before arguing the remaining grounds 5, 6 and 7 also together. On the other hand counsel for the respondent did not argue the appeal in a specific manner and presented the arguments to us as if the case was before the High Court in that counsel concentrated on criticising the finding of the Assistant Registrar, instead of presenting arguments supporting the Court of Appeal. Indeed learned counsel for the respondent reproduced verbatim their written arguments which were filed in the High Court.

Counsel for the appellant contended that the decision of the Court of Appeal is contrary to the law and the evidence on the record which evidence the Court of Appeal failed to properly appreciate. Counsel argued that the question of similarity between the contested trademarks leading to confusion and deception was raised by the respondent in its Notice of opposition and statement of grounds for opposition. Counsel argued that since "**confusion**" and/or "**deception**" are questions of fact, the respondent bore the burden to prove them to the prescribed standard. He referred to the evidence adduced by the respondent before the Assistant Registrar and in the High Court (to discharge the burden) as contained in the Statutory Declaration of **Lesley Jane Edwards** dated 05th August, 1998 and Statutory Declaration of **Alan Sinclair Cox** dated 07th March, 2001. Counsel submitted that the evidence contained in those two Statutory Declarations was not sufficient to discharge the

burden on the part of the respondent; contending that the Court of Appeal did not appreciate the true evidential value of the said Statutory Declarations.

Learned Counsel contended that confusion and /or deception arising out of the use of the contested trademarks in Uganda is a question of fact. What might cause confusion elsewhere does not necessarily mean that it will automatically cause confusion here in Uganda adding that before the Registrar and the High Court, the appellant did not adduce any evidence as to the local circumstances in Uganda which make it likely that the registration of the contested marks is likely to deceive or cause confusion.

According to learned counsel, Ms Lesley Jane Edwards' statutory declaration states that she is the Manager of Trade Mark Department of the parent/holding company known as Glaxo Welcome PLC which wholly owns the respondent. Lesley's evidence shows that being the global head, she deponed upon global matters and in the process overlooked the unique local circumstances existing in Uganda. She does not show anywhere that she has knowledge of the local circumstances pertaining to Uganda.

Learned Counsel then went to great length to analyse the Statutory Declaration of Lesley Jane Edwards and of Alan Sinclair. He contended that on the basis of the two pieces of evidence-

- The evidence of Jane Edwards, failed to establish a prima facie case of alleged confusion/or deception likely to arise out of the use of the trademark. The Court of Appeal should have so found.

- The statutory declaration of Alan Sinclair is of no evidential value in support of the respondent's claim of confusion or deception and the Court of Appeal erred not to so find.

Learned counsel criticised the findings of the Court of Appeal partly because of the following passage which appears at page 18 of the judgment of Mukasa-Kigonyogo, DCJ,

"With regard to the failure by the appellant (Glaxo Group Ltd) to adduce evidence to suggest or indicate that confusion was ever created in the minds of consumers of the two traders and their products, "Rantac" had never been heard of in Uganda. The respondent (J.B. Chemicals & Pharmaceuticals Ltd) was seeking its registration when the appellant (Glaxo Group Ltd) filed "objection" to it. It was non-existent in Uganda. There is no way the appellant (Glaxo Group Ltd) would have adduced the evidence mentioned by Assistant Registrar as the said trademark was unknown to the consumers and purchasers in this country. I do not see any special circumstances to support the registrar's decision to allow registration of Rantac as the respondent's trademark."

Counsel contended that the learned Deputy Chief Justice was wrong factually and in law because registration of a trademark is not a condition precedent to availability on the market for sale of the goods covered by the trademark. He relied on the affidavit of **Kutyabami** to show that the contested drugs exist in Uganda as classified drugs and that the packages of **Rantac** and **Zantac** are different. (But here learned counsel appears to contradict himself. First counsel claimed there was no evidence proving circumstances

obtaining in Uganda. Now he implies that drugs are on the market in Uganda).

I have noted that the arguments of counsel for the respondent did not follow the method adopted by counsel for the appellant. Rather the respondent's counsel reproduced for us the arguments presented in the

High Court where counsel had criticised the decision of the Assistant Registrar of Trademarks. There the respondent's counsel had argued that the Registrar erred to have relied on documents filed by the present appellant out of time to dismiss the objection; that the Registrar did not exercise her discretion judicially on reasonable grounds; that the exercise was injudicious. He then argued that the Court of Appeal was justified in reversing the decisions of both the High Court and Assistant Registrar. Counsel criticised the Assistant Registrar for first relying on an agreement between the present parties made in India for the view that because that agreement was not restricted to India and further for the other view that since in India RANTAC coexisted with **Zinetac**, there should be no problem in the coexistence in Uganda of **Zantac** with **Rantac** in this country. Again the same counsel in the High Court had criticised the Assistant Registrar for her view that a decision of the Appellation Chambers in Russia was of persuasive value in Uganda. The Registrar had also relied on that Russian decision to support her decision.

The contentions raised before us by appellant's counsel are substantially the same as those made by Mr. Kibedi Muzamiru who

represented the present appellant, as respondents, in the Court of Appeal. In her judgment with which the other members of the Court of Appeal concurred, the learned Deputy Chief Justice first stated in the paragraph preceding the passage quoted earlier in this judgment, at page 17 of her judgment-

"With respect I do not agree with the learned judge that there were special circumstances to justify the exercise of the Registrar's discretionary powers. From our earlier comments we did not find any evidence to prove that the appellant agreed to or condoned or even tolerated to co-existence of the two trade marks in India or the circumstances in which the agreement was made were similar to those in Uganda. The trade name used in India was "Zinetac" and not "Zantac."

The learned DCJ thereafter made her findings quoted earlier herein before she concluded that on the evidence available the appeal had to succeed.

With due respect to learned counsel for the appellant, I am not persuaded that the Court of Appeal erred or did not evaluate evidence on record.

The statements of Jane Edwards and Sinclair in support of opposition, and those of Dr. Doshi and Kityabami Paul C. in support of, the application to register the trademark were canvassed in the Court of Appeal by both sides. During the hearing of the appeal in the Court of Appeal, Mr. Magezi, counsel for the present respondent (then appellant) pointed out various errors allegedly committed by the Registrar and the High Court including admission,

(after the closing of hearing the matter), of an affidavit by one Dr. M.M. Doshi. Counsel had argued that the admission of that affidavit by the Registrar against protest by the present respondent and the consequent reliance on it by the Assistant Registrar and subsequently the High Court prejudiced the present respondent's case. Further, counsel contended, in the Court of Appeal, that the trademarks "**Zantac**" and "**Rantac**" are difficult to differentiate and counsel relied on an earlier High Court decision in **Zeneca Ltd Vs Vivi Enterprises** - HCCS No.842/94, where Byamugisha, J., held that Trademarks "**Ketrax**" and "**Vetrax**" were confusing and that it was difficult to differentiate the two which would create confusion. He commented on the evidence presented by both sides. Mr. Kibedi Muzamiru for the present appellant (as respondent in the Court of Appeal) strenuously opposed the appeal there. He, too, commented on evidence on record.

The learned DCJ considered the arguments of both counsel and re-evaluated the evidence. She referred to the ruling of the Assistant Registrar and the judgment of learned judge of the High Court and to the statutory declaration of Jane Edwards. The learned, DCJ stated, at page 15 of her judgment when considering grounds 7 and 8:

Turning to the present appeal the words "Zantac" and "Rantac" differ only by one letter "Z" and "R", leaving the remaining syllables identical. It is not disputed "Zantac" has been in existence for over 15 years and covers the same products as "Rantac."

I am mindful of the argument that the trademark in dispute is in respect of classified drugs, which have restrictions including prescription but that was not one of the considerations and was not relied on. The court as already indicated relied heavily on the agreement, (made in India) which I think was interpreted wrongly in my view. As the evidence standards on record, I agree that the likelihood of causing confusion or deception is strong and on the high side. Grounds No. 7 and 8 must succeed.

In this passage the learned Deputy Chief Justice, shows that she considered and evaluated the evidence on the record before she arrived at the above conclusions with which I respectfully agree. All available evidence show that the Assistant Registrar and Byamugisha. J, relied on and were strongly influenced, in their respective decisions, by the agreement made in India. They failed to appreciate that that agreement was restricted and specific to India. Beside the contested trademark in India was not Rantac. It was a different trademark. The Trademark **Rantac** is almost identical to **Zantac** and can certainly cause confusion and deception. In relation to the burden of proof, I would refer to S.14(1) of the Trademarks Act which reads this way:

"Subject to subsection (2), no trademark shall be registered in respect of any goods or description of goods that is identical with a trademark belonging to a different proprietor and already on the register in respect of the same goods, or description of goods, or that so nearly resembles such a trademark as to be likely to deceive or cause confusion". This is a hurdle which the appellant had to

overcome but failed to do so, in my opinion. The appellant who applied for that trademark bore the burden to disprove the elements of confusion and deception. The appellant in my view failed to discharge that burden. I also agree with the Court of Appeal that the Russian decision was not helpful in this case.

The Court of Appeal was clearly right in its decision. Therefore, grounds 1 to 4 of the memorandum of appeal must all fail as they have no merit. That conclusion really disposes of this appeal. Indeed in their written arguments, counsel for the appellants concentrated their arguments mostly on these four grounds. I do not consider it necessary to discuss the remaining grounds 5, 6 and 7.

Before I take leave of this appeal there are two matters of concern.

Counsel's arguments are spread over 18 pages contrary to the **Practice Direction** of the Chief Justice dated 13th April, 2005 which stipulates that appellant's written arguments should not exceed ten pages. Indeed learned counsel chose to quote much of their written submissions in the High Court!! This covers 5 pages of the submissions in this Court and yet they appear at pages 403 to 407 of the record of appeal? On behalf of the respondent, Messrs Magezi, Ibale & Co., Advocates, likewise presented written arguments which again exceeded the limit. Moreover the prints were tiny and the spacing very thin which was presumably aimed at circumventing the prohibition in the said Practice Direction. Chief Justice's Practice Direction is a good tool in our management of appeals.

I would also repeat this court's previous observation regarding persistent failure by advocates to file a record of appeal in Civil Appeals in the manner prescribed by rule 82 of the Rules of this Court. Subrules (1) and (2) which are relevant read as follows: -**82. (1) The record of appeal shall contain the records of appeal in the Court of Appeal, the High Court, and in the case of a third appeal the record of appeal from the trial Magistrate's court in addition to the foregoing records.**

(2) The record of appeal from the Court of Appeal shall contain-

(a) an index of all the documents in the record, including the records of the courts below, with the number of the pages at which they appear;

(b)

(c) the order, if any, giving leave to appeal; (d) the memorandum of appeal; (e) the record of proceedings; (f) the order or judgment; (g) the notice of appeal; and

(h) in case of a third appeal the certificate of the Court of Appeal that a point or points of law of great public or general importance arise.

The record of appeal before us contains, inter alia, whole judgments or extracts from books, such as Hulsbury's Laws, which were relied on by counsel in the Court of Appeal. My understanding of the meaning of the expression

"record of proceedings" is that this means a record of what the members of court wrote and what was said by counsel and witnesses. It would also include documentary evidence. This practice has no basis under the provisions I have quoted. The practice clutters the record of appeal with a lot of unauthorised material thereby rendering the record unwieldy and bulky.

I would dismiss this appeal with costs to the respondents here and in the courts below as well as in the Assistant Registrar's office. I would _____ uphold the orders of the Court of Appeal.

JUDGMENT OF KAROKORA, JSC.

I have had the advantage of reading in draft the judgment prepared by my learned brother, Tsekooko, JSC. I entirely agree with him that the appeal has no merit. I further agree with the orders he has made. I have nothing useful to add.

JUDGMENT OF KANYEIHAMBA, JSC.

I have read in draft the judgment of my learned brother, Tsekooko, JSC, with which I agree. This appeal ought to be dismissed. I also concur in the orders he has proposed.

JUDGMENT OF KATUREEBE, JSC.

I have had the benefit of reading in draft, the Judgment of my learned brother Tsekooko, JSC. I agree with him that this appeal must fail on the grounds he has ably set out in the Judgment, and I agree with the orders he has made therein.

On the preliminary question as to whether this was a third appeal to this court, I also agree that the Assistant Registrar of Trademarks did not sit as an ordinary court of first instance but as an administrative tribunal, being part of the executive.

The High Court was entitled to hear all the evidence de novo and make its own decision. In the Kenya case of ***KENYA ALUMINIUM AND INDUSTRIAL WORKS LTED -Vs- THE MINISTER FOR AGRICULTURE [1961] EA 248***, the Court of Appeal for East Africa held that "where an appeal is unrestricted in its terms, it is open to the court to *hear all the evidence and substitute its decision thereon for that of the administrative body.*"

Section 51 of the Trademarks Act (Cap.217) grants the same discretionary powers as are given under the Act to the Registrar. It states:

"In any appeal from a decision of the Registrar to the Court under this Act, the court shall have and exercise the same discretionary powers as under this Act are conferred upon the Registrar."

The above seem to support the view that the High Court, in hearing an appeal from the Registrar, as a court of law, it acts as a court of first instance. Its decision can then be appealed against to the Court of Appeal as a first appeal. The appeal to this court is therefore a second appeal.

In the circumstances I agree that the appeal be dismissed as aforesaid.

Dated at Mengo this 3rd day of October 2006.